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EXAMINER

WONG, ERIC TAK WAI

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PAPER

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* BRIAN DENTLER and
9 JOHN TIMOTHY PLACE
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12 Appeal 2009-012496
13 Application 10/618,072
14 Technology Center 3600
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17 Decided: June 4, 2010
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20 Before HUBERT C. LORIN, ANTON W. FETTING, and
21 BIBHU R. MOHANTY, *Administrative Patent Judges*.
22 FETTING, *Administrative Patent Judge*.

23 DECISION ON APPEAL

STATEMENT OF THE CASE

Brian Dentler and John Timothy Place (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-26, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION¹

We AFFIRM.

THE INVENTION

The Appellants invented a way of identifying and controlling payment fraud in credit accounts (Specification ¶ 02).

An understanding of the invention can be derived from a reading of exemplary claim 24, which is reproduced below [bracketed matter and some paragraphing added].

24. A computer system comprising:

[1] a storage device;

[2] a processor in communication with the storage device; and

[3] a memory coupled with the processor,

¹ Our decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed December 17, 2008) and the Examiner’s Answer (“Answer,” mailed March 24, 2009).

1 [4] the memory comprising a computer readable storage
2 medium having a computer-readable program embodied therein
3 for operating the computer system to process a payment
4 towards a credit account, the computer-readable program
5 including:

6 [5] instructions for retrieving a history of profile records from
7 the storage device for the credit account over a period of time
8 preceding receipt of the payment,

9 each such profile record

10 corresponding to a date within the period of time
11 and

12 including

13 an account balance for the credit account on
14 the date and

15 a value of credited payments made towards
16 the credit account on the date;

17 [6] based on an analysis of the retrieved history of profile
18 records,

19 instructions for generating a behavior score associated
20 with the credit account,

21 wherein the behavior score assigns a level of risk
22 to the credit account; and

23 [7] based on the behavior score,

24 instructions for determining with the processor whether
25 to perform one of the following:

26 float the payment,

27 float part of the payment and apply the rest of the
28 payment, and

29 apply the payment in full.

30 THE REJECTIONS

31 The Examiner relies upon the following prior art:

Given that the Appeal as to claims 1-17 stands dismissed, the rejections before us for review are as follows:

1. Claims 18-21, 24, and 26 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Winking, FICO Score, and Crawford.
2. Claims 2, 23, and 25 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Winking, FICO Score, Crawford, and Admitted Prior Art.

ARGUMENTS

The Appellants argue these claims as a group. Accordingly, we select claim 24 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Appellants argue that Winking fails to describe, generating a behavior score associated with the credit account as in limitation [6] or determining whether to perform any of the steps in limitation [7]. Appeal Br. 9.

ISSUES

The issue of whether the Examiner erred in rejecting claims 18-26 under 35 U.S.C. § 103(a) turns on whether it was predictable to generate a behavior score associated with the credit account as in limitation [6] and determine whether to perform any of the steps in limitation [7] with the procedures in Winking .

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

1 *Facts Related to the Prior Art*

2 *Winking*

3 01. Winking is directed to processing credit card payments.

4 Winking ¶ 0002.

5 02. Winking describes determining the right-time to apply a
6 payment to an identified balance or toward an open for purchase
7 floating amount. Winking ¶ 0024.

8 03. Winking also states that,

9 [T]he payment amount of the right-time payment
10 transaction to be applied to the available credit varies
11 depending on a number of factors, such as, the attributes
12 or conditions of the credit account. For example, if the
13 credit account has a history of bounced check payments
14 and the payment amount is made in check, then the
15 available credit may not be adjusted until the check is
16 cleared. On the other hand, if the payment amount was
17 made in cash, then the full payment amount may be
18 applied to the available credit. Similarly, based on
19 evaluation of the factors, portions of the payment amount
20 may be applied to the available credit accordingly.

21 Winking ¶ 0024.

22 *Crawford*

23 04. Crawford is directed to a way of explaining credit scores.

24 Crawford ¶ 0001.

25 05. Crawford states that it is, “desirable for developers of credit
26 scoring algorithms, such as Fair, Isaac and Company, Inc. of San
27 Rafael, California (FICO) to move toward offering a service to
28 deliver credit bureau risk scores and explanations directly to

1 consumers and lenders.” Crawford ¶ 0005. Most organizations
2 are comfortable that each credit scoring developer, such as Fair,
3 Isaac, is the only entity in the market that can actively take on the
4 role of credit score delivery and explanation. Crawford ¶ 0005.

5 *Facts Related To The Level Of Skill In The Art*

6 06. The Examiner found that one of ordinary skill in the financial
7 system arts was aware of the prevalence of FICO scores and that
8 those scores evaluated consumer credit behavior based on
9 historical data. Answer 5.

10 ANALYSIS

11 Claims 24 is a system consisting of conventional computer parts plus
12 instructions. The instructions perform several steps in limitation [5]. These
13 steps retrieve an account balance and a value of credited payments while
14 generating a credit behavior score that assigns a level of risk, and then
15 performs one of floating the payment, applying the payment in full, or
16 partially floating and partially applying the payment. The claim does not
17 specify, when to apply the payment, what the payment is to be applied
18 against, nor does the claim specify what is meant by floating the payment.
19 Thus, any application of a payment would meet the terms of the claim, as
20 any application of a payment would float or apply that payment relative to
21 something.

22 As to the behavior score in limitation [6], the Examiner took Official
23 Notice of the notoriety of the FICO score in credit evaluation and presented
24 Crawford as evidence of such notoriety. FF 06. The Examiner found that

1 the Appellants' argument simply argued the references separately when the
2 rejection was based on their combination. Answer 10-11. We agree with the
3 Examiner that non-obviousness cannot be established by attacking the
4 references individually when the rejection is predicated upon a combination
5 of prior art disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097,
6 231 USPQ 375, 380 (Fed. Cir. 1986). The Appellants argued that Crawford
7 failed to show making a risk assessment and determining how to apply a
8 payment. Appeal Br. 10. The Examiner responded that Winking was
9 applied for these features. Answer 10. The Appellants have not argued that
10 Winking fails to describe these limitations.

11 As to limitation [7] determining to take an action, the Examiner found
12 that the limitation does not require selecting among all 3 recited alternative
13 actions, but merely requires performing one of those actions. Answer 4.
14 The Appellants argue that Winking fails to show dynamically determining
15 which action to take based on a behavior score, and that Winking either does
16 the first or third alone. Appeal Br. 10-11.

17 We agree that limitation [7] requires only determining to perform one of
18 the enumerated actions and does not require selecting among all recited
19 alternatives. Limitation [7] is prefixed with the phrase "based on the
20 behavior score," but does not further limit what the nature of the basis is.
21 The Examiner found that Winking determines whether to float the payment
22 of apply the payment in full. Answer 4. We agree. FF 02.

23 The Examiner also found, that one of ordinary skill would have found
24 the use of credit history behavior to be a predictable basis for Winking to
25 use, in determining which of the alternatives to choose. The Appellants

1 have not contested the notoriety of scores such as the FICO score as bases
2 for evaluating credit behavior history. As Winking describes, selecting
3 among at least two of the three actions recited in limitation [7] of claim 24,
4 and performing the selected action, the only issue is that of the predictability
5 of using a score such as FICO as the basis for making the selection.

6 We agree that Crawford is evidence of the notoriety of FICO scores to
7 assess credit behavior history. FF 05. Winking explicitly recites using
8 credit behavior history as a basis for making the determination of when to
9 apply the payment. FF 05. Thus we agree with the Examiner that it was
10 predictable to apply a credit behavior history measure such as FICO or
11 similar measure as the basis for determining how to apply the payment in
12 Winking.

13 CONCLUSIONS OF LAW

14 The Examiner did not err in rejecting claims 18-21, 24, and 26 under 35
15 U.S.C. § 103(a) as unpatentable over Winking, FICO Score, and Crawford.

16 The Examiner did not err in rejecting claims 22, 23, and 25 under 35
17 U.S.C. § 103(a) as unpatentable over Winking, FICO Score, Crawford, and
18 Admitted Prior Art.

19 DECISION

20 To summarize, our decision is as follows.

- 21 • The rejection of claims 18-21, 24, and 26 under 35 U.S.C. § 103(a) as
22 unpatentable over Winking, FICO Score, and Crawford is sustained.

- The rejection of claims 22, 23, and 25 under 35 U.S.C. § 103(a) as unpatentable over Winking, FICO Score, Crawford, and Admitted Prior Art is sustained.

Upon return of the application to the Examiner, the Examiner should (1) cancel claims 1-17 subject of the new ground of rejection and (2) notify the Appellants that the Appeal as to claims 1-17, subject to the new ground of rejection under 35 U.S.C. § 101, as being directed to nonstatutory subject matter, is dismissed and claims 1-17 are cancelled. *See* Manual of Patent Examining Procedure (MPEP) § 1207.03, 8th ed., Rev. 7, Jul. 2008.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

mev

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